GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3619
ANSWERED ON:16.08.2001
IMPORT OF CRUDE OIL FOR PANIPAT REFINERY
ADHIR RANJAN CHOWDHURY;ARUN KUMAR;MANJAY LAL;SHYAMA SINGH

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Indian Oil Corporation Limited had imported crude oil for its Panipat refinery during December 1997 at higher prices leading to loss of Rs.97.84 crore;

(b) if so, the facts thereof;

(c) the responsibility fixed by the Government on such losses; and

(d) the steps taken by the Government to check such losses in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): Crude oil was imported for Panipat Refinery in December, 1997 at prevalent price of that time and as per standard procedure for crude procurement, anticipating that Panipat refinery would be commissioned in February, 1998. Due to some unforeseen problems like metallurgical mismatch, problem in oily water sewer system etc that cropped up at the time of pre-commissioning activities, the commissioning of the unit got delayed and first trial operation could be taken in May, 1998 against earlier estimate of February, 1998. Thus the loss is attributable to the unforeseen factors that delayed the commissioning process.